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## **American Public Power Association**

### **Statement on the first public meeting of the Quadrennial Energy Review on: “Enhancing Infrastructure Resiliency”**

**April 11, 2014**

APPA appreciates the opportunity to provide the following statement for the Administration’s first public meeting on their Quadrennial Energy Review (QER) regarding “Enhancing Infrastructure Resiliency.” APPA endorses the comments of Duane Highley, the president, CEO, and Chief Affordability Officer for the Arkansas Electric Cooperative Corp. He is speaking on behalf of all consumer-owned utilities and has our full support.

The American Public Power Association (APPA), based in Washington, D.C., is the national service organization for the more than 2,000 not-for-profit, community-owned electric utilities in the U.S. Collectively, these utilities serve more than 47 million Americans in 49 states (all but Hawaii). APPA was created in 1940 as a nonprofit, non-partisan organization to advance the public policy interests of its members and their customers, and to provide member services to ensure adequate, reliable electricity at a reasonable price with the proper protection of the environment. Most public power utilities are owned by municipalities, with others owned by counties, public utility districts, and states. APPA members also include joint action agencies (state and regional entities formed by public power utilities) and state, regional, and local associations that have purposes similar to APPA.

APPA supports the Administration’s efforts to undertake this first part of the QER and looks forward to working with the Administration on that effort. Further, APPA welcomes the Department of Energy’s (DOE) call for more emphasis on infrastructure, including transmission and distribution, and fuel diversity. We also look forward to working with DOE and the Administration to ensure that the key financing tool for public power utilities – municipal bonds – are not encumbered with an unprecedented federal tax. Such a tax would hurt the ability to finance new capital investments in the electric grid and new, cleaner sources of generation which is the aim of this first QER. Municipal bonds have historically worked extremely well and we urge the Administration to recognize their vital importance for continued infrastructure development by rejecting proposals to tax them in whole or in part.

On the issue of the security of the electric bulk-power system, APPA, the Canadian Electricity Association, the Edison Electric Institute, the Electric Power Supply Association, the Large Public Power Council, the National Rural Electric Cooperative Association and the Transmission Access Policy Study Group (associations) have all supported the mandatory electric reliability regime created by the Energy Policy Act of 2005, that applies to the reliability, cyber-security, and now physical-security of the bulk electric system. In recognition of the changing nature of threats to the security of the grid, particularly cyber-threats given their rapidly evolving nature, we have also worked with the Departments of Energy and Homeland Security to expand and elevate the focus of the Electric Sub-sector Coordinating Council (ESCC), which is discussed in more detail in the attached testimony that Sue Kelly, APPA’s president & CEO, gave yesterday to the Senate Energy and Natural Resources Committee on the same subject that this QER public meeting is addressing. Her testimony covers the bulk of the issues this QER public meeting aims to address.

APPA greatly appreciates the outreach to state, local, and tribal governments and his recognition of the important role they play in the QER process.